

11 August, 2017

Mr. Hiren Shah  
Manager  
National Stock Exchange of India Limited  
'Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, 'G' Block,  
Bandra – Kurla Complex,  
Bandra (East),  
Mumbai – 400 051.

Sir,

**Sub: Non-compliance as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We are in receipt of your letter bearing ref. No. NSE/LIST/15316 on the captioned subject.

In this regard we wish to clarify as follows:

Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 deals with the Obligation to comply with Indian Accounting Standards (Ind-AS).

Sub-rule (iii) of Rule 4 states that:

*the following companies shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods beginning on or after 1st April, 2017, with the comparatives for the periods ending on 31st March, 2017, or thereafter, namely:*

- (a) *companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees five hundred crore;*
- (b) *companies other than those covered in clause (ii) of sub- rule (1) and sub-clause (a) of clause (iii) of sub-rule (1), that is, unlisted companies having net worth of rupees two hundred and fifty crore or more but less than rupees five hundred crore.*



- (c) *holding, subsidiary, joint venture or associate companies of companies covered under sub-clause (a) of clause (iii) of sub-rule (1) and sub-clause (b) of clause (iii) of sub-rule (1), as the case may be.*

In this regard we would like to state that, Accelya Kale Solutions Limited ("Accelya Kale" or "the Company") is a company listed on NSE and BSE having net worth of less than rupees five hundred crore (**Consolidated net worth:** FY2015-16 : Rs. 113.13 crores; FY2016-17 : Rs. 180.50 crores) (**Standalone net worth:** FY2015-16 : Rs. 94.96 crores; FY2016-17 : Rs. 164.68 crores) and accordingly, the obligation to comply with Ind-AS will be applicable for the accounting periods beginning on or after 1st April, 2017

However, as Accelya Kale follows 1<sup>st</sup> July to 30<sup>th</sup> June as its financial year Ind-AS will only be applicable to the Company with effect from 1st July, 2017 and not for earlier periods.

In view of the above, the financial results for the quarter and year ended 30th June, 2017 have been prepared by the Company in accordance with the format for audited financial results prepared under Indian GAAP and not in accordance with Ind-AS format. Therefore, there is no deficiency in reporting the financial results (as per Ind-AS format) mentioned under point 2 of your letter.

Further, paragraph 24 of Ind AS 101 – First time Adoption of Ind AS deals with Reconciliation. Paragraph 24 (a) and (b) is reproduced below for your reference:

*"To comply with paragraph 23, an entity's first Ind AS financial statements shall include:*

- (a) *reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind ASs for both of the following dates:*
- (i) *the date of transition to Ind ASs; and*
  - (ii) *the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.*



- (b) *a reconciliation to its total comprehensive income in accordance with Ind ASs for the latest period in the entity's most recent annual financial statements. The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for the same period or, if an entity did not report such a total, profit or loss under previous GAAP."*

From the above, it is quite evident that the reconciliation referred to in paragraph 24 should be provided in the entity's first Ind-AS financial statements. As the financial results for the quarter ended 30th June, 2017 is not in Ind-AS financial statement (as explained in the previous section) the reconciliation of profit and loss is not relevant.

Thus, there is no deficiency in submitting the reconciliation of profit and loss mentioned under point 1 of your letter

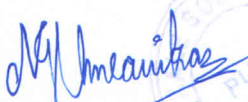
We reiterate that Ind-AS is applicable to the Company with effect from 1st July, 2017. Accordingly, the reconciliation will be provided in the results to be submitted in Ind-AS format starting from FY 2017-18 onwards ie. quarter ended September 30, 2017 which will be the Company's first quarter of FY 17-18.

We hope we have provided the clarification on your queries mentioned in your aforesaid letter and that we are compliant with the requirements of the captioned Regulations.

Please let us know if you need any further clarification.

Thanking you,

Yours faithfully,  
For Accelya Kale Solutions Limited

  
Ninad Umranikar  
Company Secretary